

The Wisconsin Manufacturing Cluster

Industry clusters are created by geographic concentrations of firms that produce common products and/or employ common production processes. The knowledge, people, culture, and infrastructure that develop in a cluster region give the firms comprising the cluster a competitive advantage. Local governmental and educational support is important to cluster development. Clusters are not created by government policies but can be energized by proactive government support. Conversely, clusters regions can be destroyed if lack of support drive key firms or individuals to do business elsewhere. Non-cluster service companies in a region benefit as they become proficient at supporting cluster needs. Experts either grow up in the cluster or relocate to the region to practice their craft. As a result, efficiencies and innovation occur more often in an industry cluster region. More importantly for the state, wealth and quality jobs result.

Wisconsin is home to a large number of manufacturers expert in the production of machinery parts and components. Due to this strong concentration of like-focused small and medium sized firms, Wisconsin has the opportunity to develop an advanced Manufacturing Cluster able to sustain and generate high-wage jobs as well as distinguish itself as a dynamic concentration of world-class supplier firms. Contrary to the notion that manufacturing is part of an *old economy* such that the state must accept the prospect of accelerating de-industrialization, Wisconsin's manufacturing cluster is ideally suited to grow itself through technology, innovation and the bolstering of customer collaboration skills.

Wisconsin's small and medium sized manufacturers are increasingly threatened by low wage global competition. Foreign countries have adopted economic development strategies based on taking business away from U.S. manufacturers. If these foreign countries are successful, Wisconsin's manufacturing firms- and their associated jobs- will go away. And once they are gone, they are gone forever. Manufacturing is the keystone to Wisconsin's economic strength. Loss of its manufacturing base would have a devastating impact on Wisconsin's wealth and its standard of living.

For this reason expedient decisive action is warranted on the part of all manufacturing stakeholders. These stakeholders include manufacturers and their Original Equipment Manufacturer (OEM) customers; service providers; business associations; workers and their unions; and, the state. Wisconsin's Manufacturing Cluster will be the focal point of this action. Consequently, the primary objective of the Manufacturing Cluster will be to organize and focus industry, government and academic resources on the advancement of manufacturing and high-quality manufacturing jobs.

A Manufacturing Cluster Council will be formed to define cluster advancement priorities, coordinate cluster stakeholder communication, develop cluster advancement projects, and monitor cluster development progress.

The first draft set of identified priorities for the cluster is:

- Increasing productivity at the state's small and medium sized manufacturers.
- Increasing the skill sets of the state's workers.
- Reinventing small and medium sized manufacturer capabilities such that they are able to provide more value-added services to their OEM customers.
- Enhancing electronic integration between small and medium sized manufacturers and their OEM customers.
- Ensuring capital availability to allow small and medium sized manufacturers to invest in training and equipment.
- Increasing the investment in internal (within industry) and external (university) research and development in support of this Manufacturing Cluster.
- Increase entrepreneurial support to create more spin-offs, product development and innovation by cluster firms.
- Attracting the 'best and brightest' to the ownership, management, and production workforce to the cluster.
- Increasing the voice of the Manufacturing Cluster such that state and local government, academic, and media leaders recognize manufacturing's importance to Wisconsin and direct economic development resources accordingly.
- Assisting cluster member firms find new market opportunities.

The council will encourage and initiate pilot projects or networking activities to advance each of these areas.